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This report provides weekly updates in the eight key areas identified as pillars of US government policy for victory in Iraq.

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Highlights



1. Defeat the Terrorists and Neutralize the Insurgents

This week in Iraq, 477 insurgents were detained or killed and 97 weapons caches were discovered during 488 operations throughout the country. Of those operations, 70 percent included Iraqi Security Forces (ISF), while 20 percent were independently run by ISF.

- 2. Transition Iraq to Security Self-Reliance
 - The Iraqi Army will mark another first this week with the expected graduation of 77 cadets at the Iraqi Military Academy at Ar Rustamiyah. This group is the first class to complete the basic officer training course under the new Iraqi Army.
- 3. Help Iraqis to Forge a National Compact for Democratic Government On December 12, hospital patients, detainees and Iraqi security forces were permitted to vote ahead of the December 15 elections. Out of country voting began December 13 in 15 countries.
- 4. Help Iraq Build Government Capacity and Provide Essential Services

 The Erbil-Ifraz water plant will provide 6,000 cubic meters of treated water per hour to more than 450,000 residents of Erbil when completed in spring 2006, and could be expanded in the future. It will replace an aging treatment plant that has only 20 percent of the new facility's capacity.

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Highlights



5. Help Iraq Strengthen Its Economy

Iraqi Customs Department officials recently met with World Customs Organization executives marking Iraq's first step toward rejoining the Brussels, Belgium-based organization.

6. Help Iraq Strengthen the Rule of Law

Nearly 90 percent of all eligible security detainees in Multi-National Forces-Iraq Theater Internment Facilities voted in the Iraqi National Ballot on December 12.

7. Increase International Support for Iraq

On December 13 in Washington D.C., US Secretary of State Condoleezza Rice addressed the Heritage Foundation and reiterated the US Government's strategy for victory in Iraq.

8. Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents

President George W. Bush, speaking to an audience at the World Affairs Council in Philadelphia on December 12, hailed the political transformation that Iraq has achieved, but cautioned that Iraq still faces significant challenges as it seeks to consolidate its nascent democracy.

[1.] Defeat the Terrorists and Neutralize the Insurgency



<u>Iraqi Security Forces Operation Review</u>:

 This week in Iraq, 477 insurgents were detained or killed and 97 weapons caches were discovered during 488 operations throughout the country. Of those operations, 70 percent included Iraqi Security Forces (ISF), while 20 percent were independently run by ISF. Members of the ISF continue to take the lead in operations throughout the country.

Operation Skinner Concludes:

 Iraqi Army soldiers, US Marines and soldiers from 2nd Brigade Combat Team, 28th Infantry Division concluded Operation Skinner in central Ramadi on December 10. The operation began on the evening of December 7 and was the seventh disruption operation conducted in Ramadi since November 16 in order to set conditions in the city for successful elections on December 15. The operation netted four weapons caches, several detainees and two command initiated rocket systems designed to ambush passing vehicle convoys in central Ramadi. The combined forces also discovered a roadside bomb the terrorists planned to use in the rocket attack.

[2.] Transition to Security Self-Reliance – Iraqi Security Forces



<u>Iraqi Police Graduate 217 from Advanced Training Courses:</u>

 The Iraqi Army will mark another first this week with the expected graduation of 77 cadets at the Iraqi Military Academy at Ar Rustamiyah. This group is the first class to complete the basic officer training course under the new Iraqi Army. The 42-week course focuses on developing leaders of soldiers from all backgrounds.

Iraqi Defense Network:

 Installation of the Iraqi Defense Network (IDN) is set to begin this month at two Iraqi military sites. The IDN will consist of an unclassified, but restricted, voice and data network that will ultimately connect the Ministry of Defense, headquarters elements of the Iraqi Army, Navy, Air Force and all Iraqi Army divisions and brigades. The IDN is comparable to the US military's open network communications system.

[2.] Transition Iraq to Security Self-Reliance – Iraqi Security Forces



Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED	
POLICE	75 700	
HIGHWAY PATROL	~75,700	
OTHER MOI FORCES	~37,400	
TOTAL	~113,100*	

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	~101,600
AIR FORCE	~300
NAVY	~800
TOTAL	~102,700**

Total Trained & Equipped ISF:

~215,800

- * Ministry of Interior Forces: Unauthorized absence personnel are included in these numbers
- ** Ministry of Defense Forces: Unauthorized absence personnel are not included in these numbers

 Data as of December 12, 2005 (updated bi-weekly by DOD)

[3.] Help Iraqis to Forge a National Compact for Democratic Government— Developments



General Elections Update:

- On December 12, hospital patients, detainees, and Iraqi security forces were permitted to vote ahead of the December 15 elections.
- Preventive measures by the Iraqi Government have been planned to curtail violence when general elections start.
- During a five-day public holiday beginning December 13, Iraq's borders will close, an extended night time curfew will be implemented and domestic travel will be restricted.
- The IECI has announced it has rejected 81,297 voter registration forms filed in just two days in six centers in Kirkuk. In order to protect eligible voters from being disenfranchised by this procedure, voters will be allowed to vote by presenting their copy of their voter registration form along with one of the 14 identification documents recognized by the IECI. If the person does not have a copy of the voter registration form, he/she may then present two of the recognized identification documents.

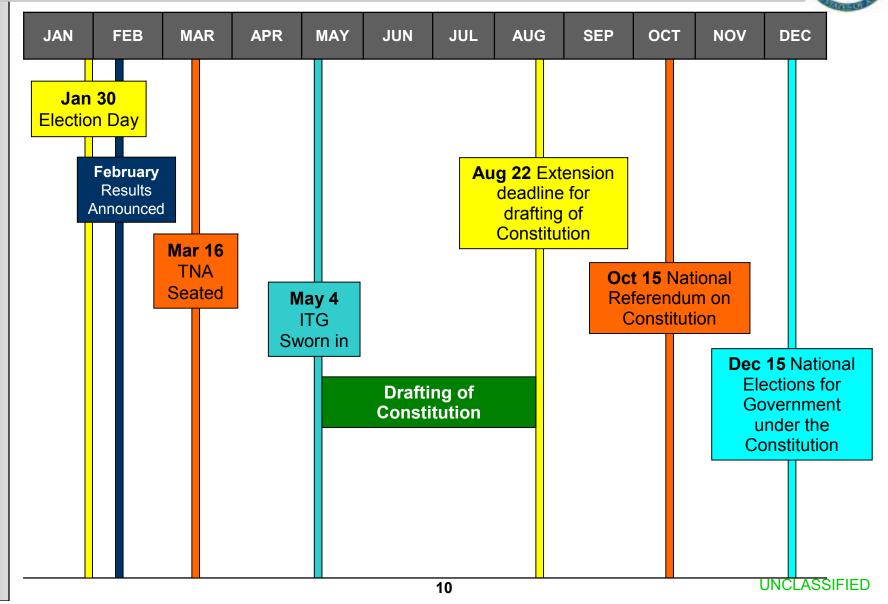
[3.] Help Iraqis to Forge a National Compact for Democratic Government— Developments



Out of Country Voting Update:

Voting for Iraqi citizens living outside of Iraq will take place in a total of 15 countries. At the request of the Iraqi Embassy, the US Government has agreed to allow the IECI to hold elections in the US for Iraqi nationals from December 13-15 from 9AM to 9PM. There are approximately 240,000 eligible Iraqi voters resident in the US. Voting will occur in nine polling centers in seven US metropolitan areas: San Diego, Oakland, Los Angeles, Chicago, Nashville, Washington DC, and Detroit. Detroit will also serve as IECI's US headquarters.

[3.] Help Iraqis to Forge a National Compact for Democratic Government—Electoral Process Timeline



[3.] Help Iraqis to Forge a National Compact for Democratic Government - Iraqi Transitional Government



Deputy President

Sheikh Ghazi al-Yawr

President

Jalal Talabani

Deputy President

'Adil 'Abd al-Mahdi

Deputy Prime Minister

Deputy Prime Minister

Rawsh Shaways 'Abd Mutlak al-Juburi

Prime Minister

Ibrahim al-Ja'fari

Deputy Prime Minister

Ahmad al-Chalabi

Deputy Prime Minister

Vacant

Minister of Agriculture	Minister of Communications	Minister of Culture	Minister of Defense	Minister of Displacement & Migration	Minister of Electricity
Ali al-Bahadili	Juwan Fu'ad Ma'sum (F)	Nuri al-Rawi	Sa'dun al-Dulaymi	Suhayla al-Kinani (F)	Muhsin Shallash
Minister of Education	Minister of Environment	Minister of Finance	Minister of Foreign Affairs	Minister of Health	Minister of Higher Education
Abdul Mun'im al- Falah Hasan	Narmin 'Uthman (F)	'Ali 'Allawi	Hoshyar Zebari	Abd al-Muttalib al-Rubay'i	Sami al-Muzaffar
					Minister of Labor 0

Minister of Human
Rights

Vacant

Minister of Industry
& Minerals

Usama al-Najafi

Minister of Interior

Bayan Jabr

Minister of Justice

ʻAbd al-Husayn Shandal

Minister of Housing & Construction

Jasim Ja'far

Minister of Labor & Social Affairs

Idris Hadi

Minister of Oil

Ibrahim Bahr al-'Ulum

Minister of Planning

Barham Salih

Minister of Trade

'Abd al-Basit Mawlud

Minister of Science & Technology

Basima Butrus (F)

Minister of Municipalities & Public Works

Nasreen Berwari (F)

Minister of Transportation Salam al-Maliki

Minister of Water

'Abd al-Latif Rashid

Resources Sports

Talib Aziz al-Zaini

Minister of Youth &

Minister of State for Civil Society

'Ala' abib Kazim

Minister of State for National Assembly Affairs

Safa' al-Din al-Safi

Minister of State for National Security Affairs

'Abd al-Karim al-'Anzi

Minister of State for Provinces

Sa'd al-Hardan

Minister of State for Tourism and Antiquities

Hashim al-Hashimi

Minister of State for Women's Affairs

Azhar al-Shaykhli (F)

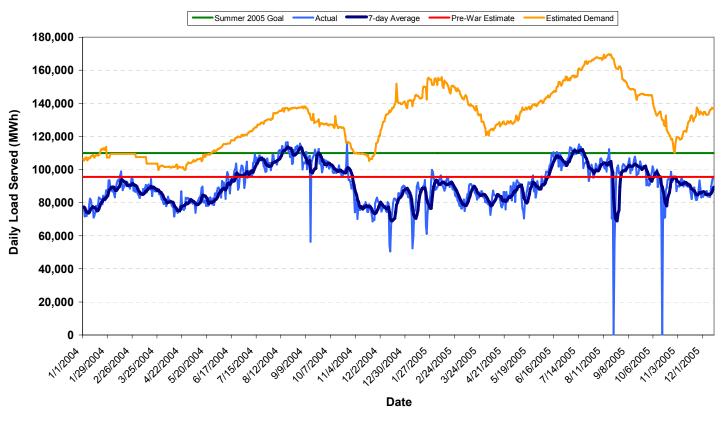
(F) = Female

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[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity Overview



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Electricity availability has improved nationwide in the last week (December 6-12) in the lead up to the national elections despite continued attacks on energy infrastructure.
- Service in Baghdad averaged 6.1 hours per day, while the nationwide average was 12.3 hours.
- Electricity output for the month of December is on average 12 percent higher than it was a year ago.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity, Water and Telecommunications



Electricity:

 Under the Project Partnership Agreement between the US Project and Contracting Office (PCO) and the Ministry of Electricity, PCO will reimburse the Ministry up to \$16.7 million for future work on two power projects in southern Iraq. The move signifies a shift from Coalition leadership of reconstruction to Ministry leadership. PCO officials estimate a cost savings of \$6 million over usual contractor costs.

Water and Sanitation:

- The PCO Water Sector has implemented several training programs this year.
 - One program is the Water Sector's Women's Initiative, which provides Iraqi women with equal opportunities for jobs, career building opportunities and small business development related to water sector reconstruction. Nearly 800 Iraqi women have participated in this initiative so far.

Telecommunications:

 The State Company for Internet Services functions as the Government ISP and is responsible for dial-up subscriber service in Iraq. Currently there are 208,670 active subscribers. These subscribers are active home users with each subscriber having their own dial up connection. Subscriber payment is made through the purchase of a prepaid card with one-year expiration. These statistics do not reflect the large number of Iraqis who use unlicensed service providers including Internet cafés.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Education



Education:

- Thousands of teachers throughout Iraq are benefiting from new education materials and instruction in modern teaching methods. Using a cascading training program, USAID prepares master trainers through workshops and teaching materials to train Iraqi educators throughout the country.
 - Over 9,900 teachers have received training in Information Communication Technology.
 - Nearly 7,500 educators have received English as a Second Language (ESL) training, improving their ability to teach ESL courses to Iraqi students.
 - A 12 day workshop for 70 Master Trainers in science recently began in Amman, Jordan, in partnership with the Amman Arab University.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2



\$Millions	Apportioned		Committed Obligated		Disbursed						
Sector	2207 Report	Apportion	Last Veek	Gurrent	Change	Last Veek	Gurrent	Change	Last Veek	Current	Change
Security and Law Enforcement	5017,6000	5017.6	4,958.9	4,959.0	0.06	4,698.9	4,698.8	(0.11)	3,993.2	4,018.7	25.5
Electricity Sector	4314.8168	4067.2	3,726.4	3,726.2	(0.16)	2,953.7	2,984.8	31.12	1,738.0	1,755.3	17.3
Oil Infrastructure	1723,0000	1723.0	1,674.9	1,675.5	0.63	1,399.8	1,399.1	(0.70)	616.9	638.0	21.0
Justice, Public Safety and Civil Society	1247.1840	1247.2	1,177.0	1,203.0	25.99	1,076.1	1,078.8	2.68	649.9	655.3	5.4
Democracy	945.3160	945.3	933.2	933.2	0.01	932.7	932.9	0.11	599.9	600.0	0.1
Education, Refugees, Human Rights, Governance	363,0000	363.0	339.7	329.0	(10.65)	335.5	324.7	(10.75)	178.9	174.9	(4.0)
Roads, Bridges and Construction	333,7143	333.7	276.9	275.8	(112)	245.7	240.9	(4.85)	151.7	153.6	1.8
Health Care	786.0000	786.0	721.7	677.0	(44.77)	625.8	586.1	(39.72)	301.7	319.1	17.4
Transportation and Communications	508,5081	508.5	446.0	446.0	0.00	393.7	393.7	0.00	202.4	205.8	3.4
Vater Resources and Sanitation	2146,5832	1819.1	1,776.8	1,543.8	(232.98)	1,472.9	1,3615	(111.32)	604.7	625.5	20.7
Private Sector Development	840.2776	840.3	793.9	793.9	0.00	782.3	782.3	0.00	552.2	552.2	0.0
Admin Expense (USAID, STATE)	213.0000	213.0	147.9	147.9	(0.03)	147.9	147.9	(0.03)	56.5	56.5	0.0
TOTAL	18,439.0000	17863.9	16,973.3	16,710.3	(263.02)	15,065.1	14,931.5	(133.57)	9,646.1	9,754.9	108.8
IRRF 2 Construction			9,814.3	9,549.2	(265.10)	8,294.8	8,181.6	(113.20)	4,804.2	4,884.5	80.3
IRRF 2 Non-Construction			6,225.8	6,227.9	2.06	5,837.5	5,817.0	(20.48)	4,242.0	4,270.4	28.5
IRRF 2 Democracy			968.5	968.5	0.01	967.7	967.8	0.11	599.9	600.0	0.1
IRRF 1 Subtotal	2,473.3000	2473.3	2,473.3	2473.30	0.00	2,473.3	2,473.3	0.00	2,406.6	2,406.6	0.0
Grand Total IRRF 1 & 2	20,912.3000	20337.2	19,446.6	19,183.6	(263.02)	17,538.4	17,404.8	(133.57)	12,052.7	12,161.5	108.8

The Water Sector Committed money has been de-committed and placed in a deferral fund at the request of the Ambassador

As of December 14, 2005

[5.] Help Iraq Strengthen Its Economy – Oil Update and Job Creation



Oil Update:

- Crude oil prices in world markets for the week ending December 9 closed with the following prices:
 - Basra Light at \$47.96/barrel

– Dated Brent at \$56.20/barrel

WTI Cushing at \$59.82/barrel

– Oman/Dubai at \$53.85/barrel

Kirkuk Crude at \$52.94/barrel

Employment Update:

• The following chart shows the number of Iraqis employed by USG-administered projects:

Employing Organization	Iraqis Last Week	Iraqis This Week	% Increase on Week
PCO (Project and Contracting Office)	30,373	30,373	0.0%
USAID	36,251	35,957	-0.8%
AIRP (Accelerated Iraqi Reconstruction Program)	1,664	1,664	0.0%
MILCON (Military Construction)	269	269	0.0%
CERP (Commanders' Emergency Response Program)	23,706	23,706	0.0%
MNSTC-I	16,362	13,959	-14.7%
IRRF NON-CONSTRUCTION	15,452	15,452	0.0%
GRAND TOTAL	124,077	121,380	-2.2%

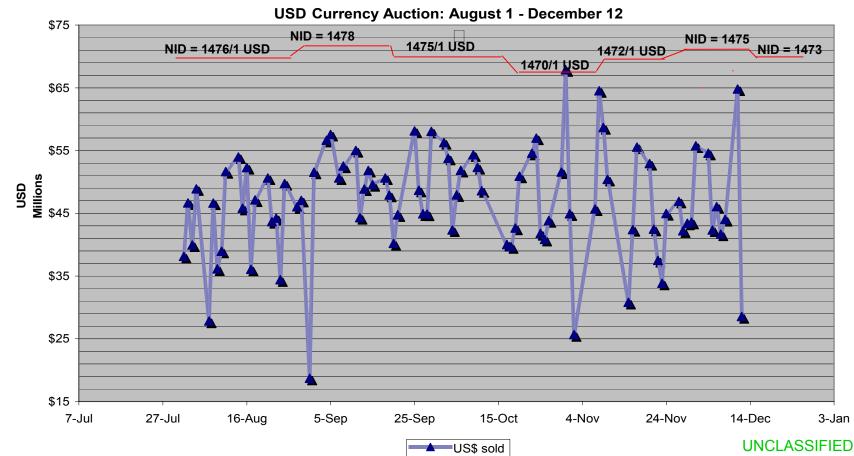
[5.] Help Iraq Strengthen Its Economy - Banking Sector



Central Bank's US Dollar (USD) Currency Auction:

 The following table shows volume sold and exchange rates for USD in the Iraqi currency auction from August 1 through December 12. The exchange rate remained stable this week ending at 1,475 dinars per USD on December 12.

Central Bank of Iraq



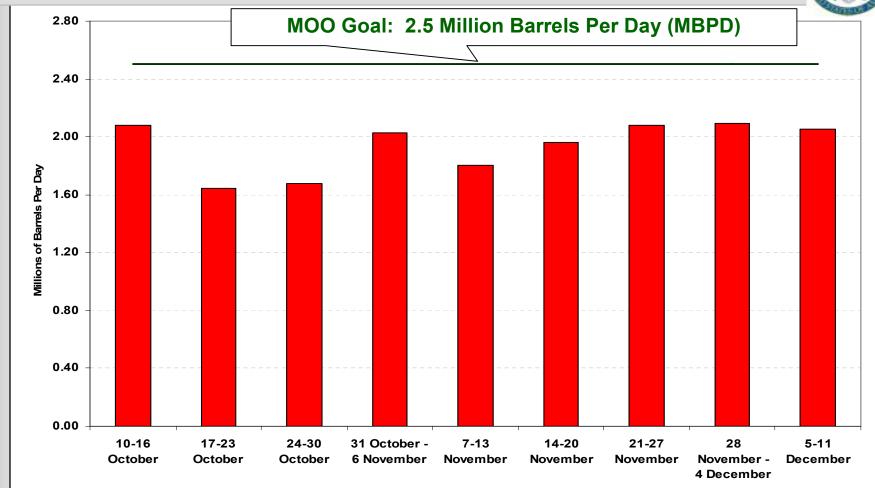
[5.] Help Iraq Strengthen Its Economy



Iraq Takes First Step to Rejoin World Customs Organization:

• Two Iraqi Customs Department officials recently met with World Customs Organization (WCO) executives and attended the twice yearly Harmonized System Committee meeting, marking Iraq's first step toward rejoining the Brussels, Belgium-based organization. Iraq's attendance at the WCO was facilitated and funded by USAID's Izdihar project. The WCO is an independent, intergovernmental body which provides a forum for customs administrations and promotes a harmonized system for classifying commodities that are used worldwide to collect customs revenue. Iraq will need to rejoin the WCO in order to join the World Trade Organization.

[5.] Help Iraq Build Government Capacity and Provide Essential Services – Crude Oil Production



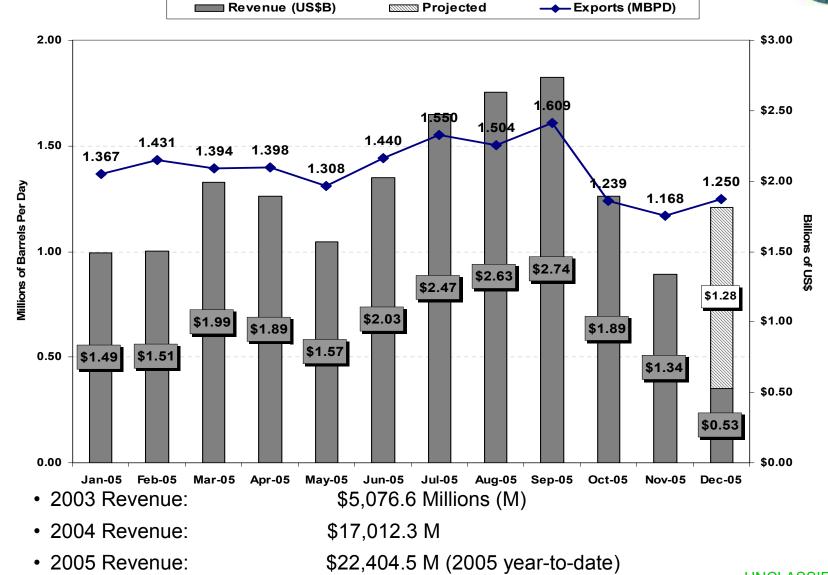
Weekly Average (December 5-11) of 2.06 MBPD

• Pre-War Peak: 2.5 MBPD in March 2003

Post-War Peak: 2.67 MBPD

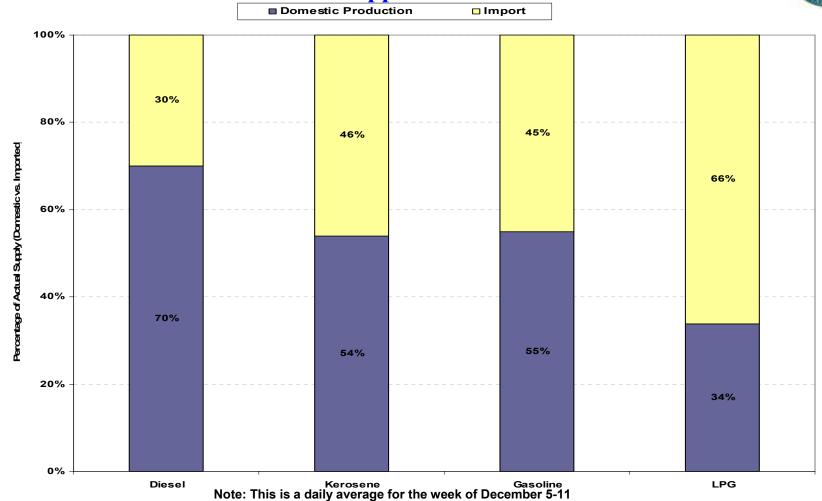
Production —— Target

[5.] Help Iraq Build Government Capacity and Provide Essential Services – Crude Oil Export



[5.] Help Iraq Build Government Capacity and Provide Essential Services —

Total Critical Refined Product Supplies



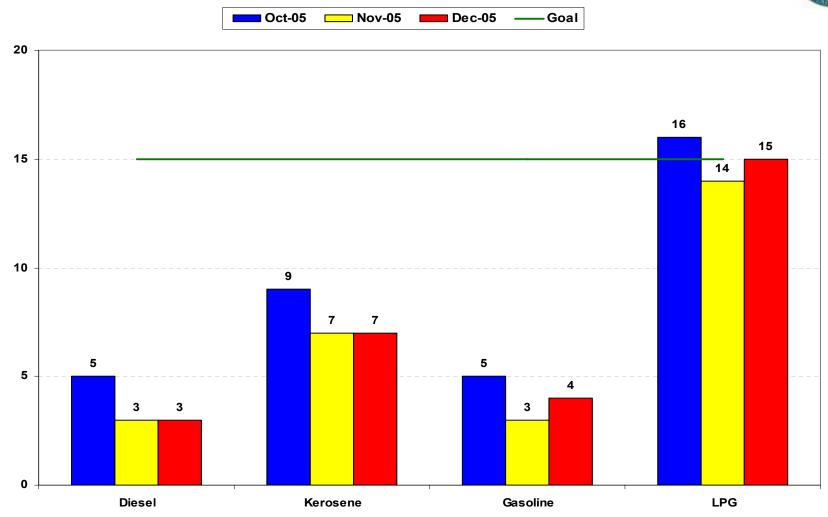
Diesel: 20.0 ML supply of 18 ML target

• Gasoline: 24.4 ML supply of 18 ML target

• Kerosene: 12.0 ML supply of 19.6 ML target • LPG: 5,299 tons supply of 4,300 tons target

[5.] Help Iraq Build Government Capacity and Provide Essential Services – National Stock Levels





 The goal is to have on hand 15 days supply of all refined products, calculated on the basis of maximum consumption over the year and not adjusted for seasonal variation. The numbers given above are monthly averages.

[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights— Iraqi Judicial System



Detainee Voter Turnout Overwhelming:

- Nearly 90 percent of all eligible security detainees in Multi-National Forces-Iraq (MNF-I) Theater Internment Facilities voted in the Iraqi National Ballot on December 12.
- MNF-I took special care to ensure that eligible detainees who wanted to vote were afforded the opportunity. Balloting opened early December 12 and continued until all eligible detainees had passed through the polling stations.

Mosul Bombing Cell Members Sentenced to Life Imprisonment:

- Iraqi Ministry of Justice officials announced December 10 that four members of al Qaeda in Iraq, who were members of the Mosul Bombing Cell led by Abu Talha, were found guilty by the Central Criminal Court of Iraq of violation of Article 194 of the Iraqi Penal Code for attacking Iraqi Police, Iraqi National Guard, and Coalition Forces and sentenced each of them to life imprisonment on November 23.
- This successful conviction is another landmark for the Iraqi judicial system.
 The verdict reinforces the will of the Iraqi people that former regime members, insurgents, foreign fighters and their supporters are being held accountable and punished by a court of justice.

[7.] Increase International Support for Iraq – Developments



- At an address to the Heritage Foundation on December 13, US Secretary of State Condoleezza Rice provided an overview of international support to Iraq on the eve of the December 15 elections:
 - "On the security front, our coalition today remains strong and active. Some 30 nations are contributing over 22,000 soldiers, who are risking their lives alongside brave Iraqi and brave American troops."
 - "Two years ago in Madrid, almost 40 countries and international institutions pledged \$13.5 billion in assistance to Iraq. And as Iraq continues its transformation into a stable democracy, donors are making good on their promises. Today, this money is providing the Iraqi people access to more clean water and better health care, to renovate its schools with better teachers and upgraded houses in some of Iraq's poorest neighborhoods."
 - "...on the political front, the international community is increasingly overcoming old divisions and supporting Iraq's transition to democracy. We have now passed four major Security Council resolutions on Iraq, most of them unanimously, pledging the UN's support for everything from an international mandate for our coalition forces, to an international rejection of terrorism in Iraq, to the goal of advancing Iraq's democratic process."
- The full text of Secretary Rice's comments can be found at: http://www.state.gov/secretary/rm/2005/58039.htm

[7.] Increase International Support for Iraq – Developments



European Union Strengthens Ties with Iraq:

 On December 12, the European Commission proposed the European Union should start negotiations for a Trade and Cooperation Agreement with Iraq in 2006. Once the Council has approved the mandate, the Commission will negotiate the agreement with the first constitutionally elected Iraqi government. Also on December 12, European Commissioner Ferrero-Waldner and Iraqi Ambassador Mohammed Jawad Al-Doreky signed an agreement to open a European Commission Delegation office in Baghdad.

NATO Reaffirms Support for Iraq:

- In a communiqué published on December 8, NATO issued the following statement regarding Iraq:
 - "We welcome the adoption of the [Iraqi] constitution and look forward to working with the new Iraqi Government after the parliamentary elections later this month. We remain united in our support for the Iraqi people and for the stability, democratic development, unity and territorial integrity of the Republic of Iraq, consistent with relevant United Nations Security Council resolutions."

[7.] Increase Int'l Support for Iraq – Contributors to Iraqi Stability Operations



Data as of December 12, 2005

Denmark

29 Multi-National Forces – Iraq (MNF-I) Contributors (in addition to US)

Albania	El Salvador	Lithuania	Portugal
Armenia	Estonia	Macedonia	Romania
Australia	Georgia	Moldova	Singapore
Azerbaijan	Italy	Mongolia	Slovakia
Bosnia-Herzegovina	Japan	Netherlands	South Korea
Bulgaria	Kazakhstan	Norway	Ukraine
Czech Republic	Latvia	Poland	UK

TOTAL ~ 23,000 Forces

*Note: Fiji participating as a part of the UN mission in Iraq.

30 Countries and NATO

(including US)

Support Iraqi Stability Operations

[8.] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents — Developments



President Discusses Iraqi Elections, Victory in the War on Terror:

- President George W. Bush on December 14 in a nationally televised speech said, "We are living through a watershed moment in the story of freedom. Most of the focus now is on this week's elections -- and rightly so. Iraqis will go to the polls to choose a government that will be the only constitutional democracy in the Arab world. Yet we need to remember that these elections are also a vital part of a broader strategy for protecting the American people against the threat of terrorism."
- The President's December 14 speech is the fourth in a series of addresses on the situation in Iraq. In a November 30 speech at the U.S. Naval Academy in Annapolis, Maryland, Bush spoke about the nature of the insurgency and outlined US and coalition efforts to train Iraqi security forces. In a December 7 speech to the Council on Foreign Relations in Washington, the President outlined efforts to rebuild the Iraqi economy. The President's December 12 speech focused on the increase in political activity in Iraq.

[8.] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents — Developments



Secretary Rice Addresses US Strategy for Victory in Iraq:

- On December 13 in Washington D.C., US Secretary of State Condoleezza Rice addressed the Heritage Foundation and reiterated the US Government's strategy for victory in Iraq:
 - "...the American people want to know how we and our Iraqi partners will achieve the victory we seek. And again, President Bush has answered, describing a national strategy that is broad and integrated, with three complementary tracks: security, economic and political."
 - "On the security track, we are working together with the Iraqis to clear areas from enemy control, to hold the territory controlled by Iraq's democratic government and to build the capacity of Iraq's security forces to defend the rule of law."
 - "On the economic track, we are helping the people of Iraq to restore their battered infrastructure, to reform their statist economy and to build the institutions that sustain economic liberty."
 - "Finally, on the political track, we are helping the Iraqi people to isolate incorrigible enemies from democratic supporters, to engage all citizens who would choose the path of politics over the course of violence and to build inclusive democratic institutions that protect the interests of all Iraqis."

Iraq Weekly Status – General Information



 This brief draws from multiple sources. References are cited on the following pages.

Please forward all questions and/or comments to <u>NEA-I-IPOG-DL@state.gov</u>

Notes and Source Citations (1 of 4)



Slide 5:

- MNF-I Press Release December 10, 2005: http://www.mnf-iraq.com/releases.htm
- This Week In Iraq MNFI http://www.mnf-iraq.com

Slide 6:

- MNSTC-I Press Releases December 10, 2005. http://www.mnstci.iraq.centcom.mil/press.htm
- This Week in Iraq MNFI http://www.mnf-iraq.com

Slide 7:

DoD ISF Report, Dec 12, 2005

Slide 8:

- Nahide Bayrasli, Iraq Public Diplomacy Officer, Bureau of Near Eastern Affairs, U.S. Dept. of State, Tel: 202-647-4266
- www.ieciiraq.org

Slide 9:

 US Department of State – Office of the Spokesman, Media Note: "Out of Country Voting for Iraq Elections in the US" – December 12, 2005

Slide 12:

- POC Tom Gramaglia, (202) 736-4065
- The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load. Currently supplies are not much improved over last year when judged by hours of power, but this is due in part to an influx of new appliances. This has dramatically altered demand and diluted the effect of increased generation capacity on actual results.

Slide 13:

- Information regarding the PCO PPA program comes from the weekly PCO reconstruction update,13 December 2005.
- Information regarding the PCO training of MMPW workers comes from the PCO weekly reconstruction update 13 December 2005.
- Information regarding the SCIS comes from Embassy reporting.

Slide 14:

Information regarding the USAID and EMIS programs comes from the USAID weekly update from 9 December 2005.

Slide 15:

The IRRF Financial Chart is sourced from the 14 Dec 05 IRMO Weekly Status Report

Notes and Source Citations (2 of 4)



Slide 16:

- Oil Prices are sourced from Bloomberg
- Information regarding the Employment Update was sourced from the IRMO Weekly Report December 14, 2005
- CERP numbers continue to be reported to maintain totals.
- PCO will be reporting on a bi-weekly basis.
- USAID continues to update weekly.

Slide 17:

Information regarding the NID auction was gathered from the Central Bank of Iraq's website: http://www.cbiraq.org.

Slide 18:

- Information regarding the WCO was sourced from the USAID Iraq Weekly Update 9 December 2005.
- Information regarding the Maersk/MOT settlement comes from the DoS IIC, 9 December 2005.

Slide 19:

- POC Matthew Amitrano, (202) 647-5690
- NOTE: Production dropped in the south due to tankers unable to dock at the oil terminals due to bad weather and southern storage facilities are at full capacity. With no where to send the crude, field managers have lessened output. As of Monday, the weather cleared and the situation should return to normal in a matter of days.
- Iraq Petroleum Sector Facts
- There are three main refineries in Iraq: Bayji (North), Daura (Baghdad), and Basra (South).
- There are several minor refineries (known as topping plants) dotted through the country: Kisik (Mosul), Qarrayah,
 Haditha, Tikrit, Nassiriyah, Maysan (Amarah), and Samawah. These primarily produce asphalt and low grade kerosene and diesel.
- The majority of Iraq's oil infrastructure is antiquated and in need of modernization.
- Domestically produced refined products (gasoline/benzene, diesel, kerosene, LPG) currently do not meet domestic demand because of sabotage to the pipeline infrastructure. Iraq will be dependent upon imports until the insurgents cease operations

Notes and Source Citations (3 of 4)



Slide 20:

- For the 2004 revenue, this already deducts the 5% war reparations to Kuwait. If included in revenue, the total would be \$17.5B.
- Projected revenue implies if the current export rate held for the entire month.
- Al-Faw Terminals: Al-Basra Oil Terminal (ABOT) and Khor al-Amaya Oil Terminal (KAOT)
- Production and export are at normal rates.
- Iraq-Turkey Pipeline (IT)
- The IT line works intermittently since the Iraqis sell the crude oil in lumps.
- Iraq-Syria-Lebanon Pipeline (ISLP)
- This line has been closed since 2003.
- Discussions were held between Iraqi and Syrian government officials, but no timetable has been set up to reopen this line.
- In the meantime, Iraq has set up a barter arrangement in which it exports 14KBPD from the Ayn Zalah field to Syria for refined products and electrical production.
- Iraq Pipeline through Saudi Arabia (IPSA)
- This line has been closed since 1991. There are no plans to reopen this line.

Slide 21:

- POC Matthew Amitrano, (202) 647-5690
- Note: Data missing from Sept 2-4. This graph will be updated when the data arrives.
- Goals set by the State Oil Marketing Organization (SOMO), a company owned by the Ministry of Oil (MOO). Slide 22:
- POC Matthew Amitrano, (202) 647-5690
- Note: Data missing from Sept 2-4. This graph will be updated when the data arrives.

Slide 23:

- MNF-I Press Release, <u>Mosul Bombing Cell members sentenced to life imprisonment by the Central Criminal Court of Iraq</u>,
- http://www.mnf-iraq.com/Releases/Dec/051210e.htm
- MNF-I Press Release, <u>Detainee Voter Turn Out Overwhelming</u>, http://www.mnf-iraq.com/Releases/Dec/051212e.htm

Notes and Source Citations (4 of 4)



Slide 24:

http://www.state.gov/secretary/rm/2005/58039.htm

Slide 25:

EU Press Release, 12 Dec 05 http://europa.eu.int/comm/external_relations/iraq/news/ip05_1566.htm
 NATO, Final Communiqué for the Ministerial Meeting of the North Atlantic Council Held at NATO Headquarters, Brussels, Belgium Dec 8. POC: Aaron Jost, US Dept of State, 202-647-5211

Slide 26:

DOD Input to Weekly Status Report 14 Dec 05

Slide 27:

Bush Hails Growth of Political Activity in Iraq, http://usinfo.state.gov/mena/Archive/2005/Dec/12-89817.html

Slide 28:

http://www.state.gov/secretary/rm/2005/58039.htm